

Message Text

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ACTION EA-09

INFO OCT-01 EUR-12 ISO-00 CIAE-00 DODE-00 PM-04 H-02

INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15

USIA-06 EB-07 AID-05 OMB-01 TRSE-00 INT-05 OES-06

IO-13 ACDA-07 SAJ-01 SAM-01 AF-08 NEA-10 DHA-02

DLOS-06 /140 W

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R 3000900Z AUG 76

FM AMEMBASSY JAKARTA

TO SECSTATE WASHDC 6470

INFO AMEMBASSY OTTAWA

AMEMBASSY CANBERRA

AMEMBASSY WELLINGTON

AMEMBASSY MANILA

AMEMBASSY SEOUL

AMEMBASSY TOKYO

AMEMBASSY SINGAPORE

AMEMBASSY KUALA LUMPUR

AMEMBASSY BANGKOK

AMEMBASSY PARIS

AMCONSUL MEDAN

AMCONSUL SURABAYA

S E C R E T SECTION 1 OF 2 JAKARTA 11360

PARIS FOR CIEC

E. O. 11652: GDS

TAGS: PFOR ID CA

SUBJECT: INDONESIAN VISIT OF CANADIAN FOREIGN MINISTER ALLAN

J. MAC EACHEN

1. SUMMARY: DISCUSSIONS BETWEEN CANADIAN FOREIGN MINISTER
MACEACHEN AND INDONESIAN OFFICIALS DURING FORMER'S VISIT HERE
AUGUST 23-26 CENTERED ON CANADIAN AID, CIEC, SOUTH EAST ASIA,
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AND KOREA. INDONESIAN POSITION ON ISSUES GENERALLY AS EXPECTED, WITH MALIK TAKING MORE BENIGN VIEW TOWARD WORLD AND, PARTICULARLY, VIET NAM THAN MINISTER DEFENSE PANGGABEAN. CANADIANS RAISED POSSIBILITY CANADIAN AID TO VIET NAM; MALIK DUCKED QUESTION; PANGGABEAN EXPRESSED OPPOSITION. CANADIANS FOUND INDONESIAN VIEWS ON INTERNATIONAL ECONOMIC ISSUES "MODERATE" ALTHOUGH IT WAS CLEAR THEY WOULD NOT BREAK RANKS WITH G-77. END SUMMARY.

2. CANADIAN FOREIGN MINISTER ALLAN J. MACEACHEN VISITED JAKARTA FROM AUGUST 23 THROUGH 26 AS PART OF A SOUTHEAST ASIAN TRIP. DCM WAS BRIEFED BY HIS CANADIAN COLLEAGUE ON AUGUST 27. VISIT WAS DESCRIBED TO US BY BOTH CANADIAN EMBASSY AND FOREIGN OFFICE OFFICIALS AS EXTREMELY SUCCESSFUL.

3. MACEACHEN MET WITH PRESIDENT SUHARTO, FOREIGN MINISTER MALIK, MINISTER OF STATE FOR ECONOMIC, FINANCIAL AND INDUSTRIAL AFFAIRS WIDJOJO, MINISTERS OF DEFENSE AND SECURITY PANGGABEAN, INDUSTRY JUSUF, AND COMMUNICATION EMIL SALIM. CONVERSATIONS WITH LAST TWO WERE ON PURELY BILATERAL MATTERS WHICH RESULTED PARTICULARLY IN THE SIGNING OF FOUR AGREEMENTS ON DEVELOPMENT PROJECTS: (A) MEMORANDUM OF UNDERSTANDING WHICH WILL PROVIDE \$900,000 GRANT TO FINANCE TECHNICAL ASSISTANCE TO GOI SCHOOL OF MINING RELATIVE TO REHABILITATION AND EXPANSION OF OMBILIN COAL MINE PROJECT IN SOUTH SUMATRA; (B) MEMORANDUM OF UNDERSTANDING PROVIDING A GRANT OF \$550,000 FOR FEASIBILITY STUDY, DESIGN AND ENGINEERING FOR EXPANSION OF THE TES HYDROELECTRIC PROJECT IN BENGKULU; (C) \$10,000,000 LOAN FOR WATER RESOURCES DEVELOPMENT PROJECTS IN SUMATRA, JAVA, AND SUMBAWA; AND (D) EXCHANGE OF LETTERS PROVIDING \$9.4 MILLION FOR PORT DEVELOPMENT COMPONENT OF TONASA CEMENT PROJECT IN SULAWESI, THIS FUNDING A DRAW DOWN ON THE PREVIOUSLY ANNOUNCED PACKAGE OF \$200,000,000 FINANCING FOR INDONESIAN DEVELOPMENT.

4. MEETING WITH SUHARTO: CANADIAN FOREIGN MINISTER SPOKE ABOUT EXPANDING CANADIAN INTEREST IN INDONESIAN AND ASEAN REGION. PRESIDENT SUHARTO TALKED ABOUT ASEAN PRIMARILY AS BRIDGE-BUILDER BETWEEN VARIOUS GROUPS IN ASIA, SUCH AS THE SOUTHERN GROUP (AUSTRALIA AND NEW ZEALAND), THOSE INCLUDING INDIA AND PAKISTAN, INDO-CHINA, AND NORTHASIA. HE ENDORSED WIDJOJO'S REMARKS REGARDING CIEC, IN WHICH LATTER SPOKE IN FAVOR OF
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CONTINUED DIALOGUE AND THE NEED FOR PROGRESS IN NORTH-SOUTH NEGOTIATIONS.

5. CONVERSATION WITH MALIK. RE ASEAN, MALIK INFORMED MACEACHEN THAT GROUP WAS PROGRESSING FAVORABLY, INCLUDING MORE MILITARY COOPERATION FOLLOWING BALI SUMMIT. ON INDO-CHINA, HE STATED THAT ASEAN SUMMIT HAD AGREED TO EXTEND HAND OF FRIENDSHIP. HE

SAID SRV ATTITUDE AT COLOMBO BASED ON DOMESTIC (SIC) REASONS. REFERRING TO SRV ATTITUDES ON ASEAN ZONE OF PEACE, FRIENDSHIP AND NEUTRALITY, MALIK SAID SRV FEELS THAT BOTH CONCEPTS WERE DEVELOPED DURING VIETNAM WAR AND WERE PRIMARILY AIMED AGAINST HANOI AS TOOL OF US. THEREFORE, WHILE NOT OPPOSED TO WITHER, SRV BELIEVES THAT THEY SHOULD BOTH BE ABOLISHED IN THEIR PRESENT FORM AND RECONSTITUTED ANEW (IN A VIETNAMESE MOLD). (CANADIAN AMBASSADOR DESCRIBED MALIK'S PERFORMANCE REGARDING THE VIETNAMESE AS "FLUFFY." WHILE CANADIAN DCM FELT IT WAS A "WHITEWASH.")

6. RE SOVIET-INDONESIAN RELATIONS, MALIK SAID THERE HAS BEEN SOME PROGRESS, INCLUDING FORMER RESCHEDULING OF DEBTS AND DECISION ON SCHEDULING OF SOME NEW PROGRAMS, INCLUDING AN ALUMINUM SMELTER AND TWO HYDROELECTRIC PROJECTS. HE SAID SOVIET COLLECTIVE SECURITY IDEA WAS NOT OF MUCH INTEREST TO ASEAN.

7. MALIK FELT THAT PRC ATTITUDE TOWARDS COUNTRIES TO ITS SOUTH WAS PRESENTLY SOFT AND EASY-GOING BUT THAT ASEAN MUST REALIZE AND PUT THE PRESENT TIME TO GOOD USE IN ORDER TO GET STRONG. GOI RELATIONS WITH THE PRC WERE PRESENTLY FROZEN AND WOULD REMAIN SO FOR THE TIME-BEING FOR INTERNAL INDONESIAN POLITICAL REASONS.

8. RELATIONS WITH NEW ZEALAND AND AUSTRALIA MALIK DESCRIBED AS EXCELLENT; THOSE WITH AUSTRALIA WERE IMPORTANT FOR GEOGRAPHIC REASONS. HE DESCRIBED DIFFERENCES OVER TIMOR AS A RELATIVELY SLIGHT PROBLEM. HE EXPLAINED THAT GOI HAD ALWAYS EXPLAINED THINGS FULLY TO BOTH WHITLAM AND FRASER GOVERNMENTS, INCLUDING POSSIBLE USE OF FORCE, AND THAT BOTH HAD UNDERSTOOD INDONESIAN POSITION. WHITLAM HAD UNDERSTOOD MOST CLEARLY, WHILE THE FRASER GOVERNMENT HAD BEEN LESS UNDERSTANDING.

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PARIS FOR CIEC

9. ON DIEGO GARCIA, MALIK NOTED DIFFERENCE BETWEEN INDONESIAN AND AUSTRALIA UNDER FRASER'S LEADERSHIP. BOTH COUNTRIES AGREED ON NEED TO ACHIEVE A BALANCE OF FORCES IN THE AREA BUT DISAGREED ON METHOD. AUSTRALIA FAVORS INCREASED US STRENGTH, WHILE GOI BELIEVES IN REDUCTION OF FORCES TO A MINIMUM.

10. AT COLOMBO, MALIK STATED THAT ASEAN COUNTRIES TRIED TO CONCENTRATE ON POSITIVE ASPECTS, PARTICULARLY ON ECONOMIC
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MATTERS. OTHERS TOOK OPPOSIT POSITIONS WITH RESULT THAT THERE WAS MUCH POLITICAL SQUABBLING. AT THIS POINT, MALIK COMMENTED ON THE KILLING OF TWO AMERICAN OFFICERS IN KOREAN DMZ AS A "BRUTAL ASSASSINATION."

11. THE CANADIAN FOREIGN MINISTER, COMMENTING ON TIMOR, STATED THAT CANADA WOULD HOPE TO SUPPORT AN ASEAN POSITION IN THE UN. MACEACHEN ALSO STATED HIS PLEASURE THAT SOME POLITICAL PRISONERS HAD BEEN RELEASED BUT STRESSED THAT QUESTIONS ARE STILL RAISED PUBLICLY AND IN THE PARLIAMENT IN CANADA. HE HOPED THAT CURRENT TREND TOWARDS SETTLEMENT OF THIS PROBLEM WOULD CONTINUE.

12. ON SUBJECT OF SRV, CANADIAN FOREIGN MINISTER RAISED QUESTION OF POSSIBLE CANADIAN ASSISTANCE. HE STATED THAT AN SRV DELEGATION IS TO VISIT CANADA NEXT MONTH AND WOULD CERTAINLY

REQUEST CANADIAN DEVELOPMENT ASSISTANCE. HE WONDERED WHAT INDONESIA'S ATTITUDE TOWARDS SUCH WESTERN ASSISTANCE IS.

13. ON KOREA AND UNGA, MACEACHEN WONDERED IF THERE WOULD BE ANY CHANGE IN THE ATMOSPHERE AND STRESSED FACT THAT REPUBLIC OF KOREA MUST HAVE A ROLE IN ANY SOLUTION.

14. HE ALSO RAISED THE SUBJECT OF ISRAEL AND ASKED IF THERE WERE ANY CHANGE IN NON-ALIGNED GROUP'S POSITION IN COLOMBO.

15. FINALLY, HE RAISED QUESTION OF NORTH-SOUTH DIALOGUE WITH THE EXPRESSION OF THE HOPE OF SUCCESS, EMPHASIZING NEED FOR CONFIDENCE IN CONTINUING NEGOTIATIONS.

16. IN RESPONSE, MALIK STATED THAT, REGARDING NORTH-SOUTH NEGOTIATIONS, GOI HAD TRIED FOR FLEXIBILITY AT COLOMBO, EMPHASIZING COMMON DENOMINATORS BETWEEN THE TWO SIDES. HE ASKED THAT CANADA ALSO HELP IN FINDING COMMON GROUND ON WHICH BOTH GROUPS CAN AGREE.

17. MALIK STATED ON ISRAEL THE TEMPERATURE SEEMED TO BE DOWN A BIT AT COLOMBO. HE AGREED WITH MACEACHEN THAT SITUATION IN LEBANON SHOULD ASSIST A MIDEAST SOLUTION DUE TO WEAKENING OF PLO.

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18. ON KOREA, MALIK STATED ONLY "I AGREE" AT THE CONCLUSION OF MACEACHEN'S REMARKS. HE ADDED THAT QUESTION OF UN COMMAND MUST BE DECIDED BY SECURITY COUNCIL ONLY. NORTH KOREA MUST RECOGNIZE REPUBLIC OF KOREA AND BOTH MUST ENTER THE UN.

19. RE POLITICAL DETENTION, MALIK DISCLOSED THAT HE HAS DISCUSSED THIS WITH US CONGRESSMEN IN THE PAST. HE CLAIMED THAT NO DETENTION WAS LONGER THAN NECESSARY BUT THAT THERE WERE SPECIAL CASES, ESPECIALLY SINCE, IN THE PAST, SOME RELEASED PRISONERS HAD BEEN MURDERED UPON RETURN TO THEIR VILLAGES. ACCORDING TO MALIK, BURU WAS ESTABLISHED TO GIVE PRISONERS A CHANCE TO RE-ADAPT.

20. MALIK THANKED THE CANADIANS FOR THEIR HELP AND POSITION ON TIMOR ISSUE.

21. ON QUESTION OF SRV, MALIK BELIEVES THAT VIETNAMESE ARE MOST INTERESTED IN RECONSTRUCTION BUT THAT THEY ARE STILL SUBVERSIVE. INDONESIA MUST, THEREFORE, STAY ALERT.

22. AT END OF CONVERSATION, CANADIAN FONMIN RAISED LAW OF THE SEA ISSUE BRIEFLY WITH A REQUEST FOR INDONESIAN SUPPORT ON MATTER OF ICE-INFESTED WATERS.

23. PANGGABEAN MEETING. PANGGABEAN DISCUSSED INTERNAL SECURITY SITUATION WHICH HE DESCRIBED AS "UNDER CONTROL" BUT WITH A CONTINUED COMMUNIST DANGER. HE STATED THA BALI SUMMIT HAD STRENGTHENED ASEAN. HE CONTINUES TO BELIEVE THAT THE THREAT TO INDONESIA COMES FROM THE NORTH, ESPECIALLY INDO-CHINA, REFERRING TO LARGE NUMBERS OF SURPLUS WEAPONS IN VIETNAMESE HANDS. HE SPOKE OF THE SUSPICION OF SRV, PARTICULARLY AFTER COLOMBO. HE WAS NOT SURE OF THE DEGREE OF SOVIET AND CHINESE SUPPORT FOR SRV.

24. IN RESPONSE TO MINISTER'S MACEACHEN'S QUESTIONS ABOUT INDONESIAN ATTITUDES TO POSSIBILITY OF CANADIAN AND WESTERN AID TO SRV, PANGGABEAN REPLIED WITH A FLAT "NO." HE SUSPECTS SRV POLICY AS BEING ONE OF FORMENTING INSTABILITY THROUGHOUT THE REGION, UNTIL IT CAN EXERT ITS OWN CONTROL OVER IT. HE OPPOSES ANY ECONOMIC AID EXCEPT TOKEN HUMANITARIAN ASSISTANCE. ANYTHING BEYOND THAT, ACCORDING TO PANGGABEAN, WILL ASSIST SRV
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IN "ANNEXING" REST OF AREA. HE STATED HE HAD SAID SAME THING RECENTLY DURING VISIT OF NEW ZEALAND DEFENSE MINISTER. HE DESCRIBED THE ZONE OF PEACE, FRIENDSHIP AND NEUTRALITY AS AN IDEALISTIC SITUATION BUT ONLY IF BOTH SIDES COOPERATE. IN RESPONSE TO A QUESTION ON THE VIEWS OF THE REST OF ASEAN COUNTRIES TOWARDS SRV, HE SAID THAT THEY WERE EVEN MORE NERVOUS THAN INDONESIA. REFLECTING ON RECENT APPARENT CHANGE IN SRV ATTITUDE TOWARDS ASEAN, PANGGABEAN DECLARED THAT COMMUNISTS ARE STILL COMMUNISTS, THOUGH THEY MAY CHANGE EMPHASIS DEPENDING ON SITUATION.

25. CONVERSATION WITH WIDJOJO. CANADIAN DCM AND CANADIAN AMBASSADOR AGREE THAT WIDJOJO WAS SURPRISINGLY MODERATE IN HIS TONE WHILE DISCUSSING NORTH-SOUTH ISSUES AND AGREED WITH MACEACHEN'S VIEWS THAT THERE IS NEED TO KEEP NEGOTIATIONS IN MOTION AND TO BUILD CONFIDENCE. CANADIAN MINISTER MACEACHEN FLATLY INFORMED WIDJOJO THAT THE REJECTION OF THE INTERNATIONAL RESOURCES BANK PROPOSAL AT NAIROBI HAD BEEN A SERIOUS ERROR. (IN SEPARATE CONVERSATION ABOUT VISIT WITH FONOFF OFFICIAL, REFERENCE TO MACEACHEN IRB STATEMENT ELICITED EXPLANATION THAT GOI IS MEMBER OF GROUP OF 77 AND CANNOT BREAK RANKS AT SUCH A TIME.)

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